

Medipol Pharmaceutical India Private Limited

March 26, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	9.50	CARE BB-; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BB; Stable and moved to ISSUER NOT COOPERATING category
Long Term / Short Term Bank Facilities	30.50	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING*	LT rating downgraded from CARE BB; Stable and ST rating reaffirmed and moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1

**Issuer did not cooperate; based on best available information*

Rationale and key rating drivers

CARE Ratings Ltd. (CareEdge Ratings) has been seeking information from Medipol Pharmaceutical India Private Limited (MPI) to monitor the rating(s) vide latest e-mail communications dated March 16, 2026, March 17, 2026 and March 18, 2026, along with numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CareEdge Ratings has reviewed the rating on the basis of the best available information which however, in CareEdge Ratings' opinion is not sufficient to arrive at a fair rating. Further, MPI has not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. The ratings on MPI's bank facilities will now be denoted as '**CARE BB-; Stable; ISSUER NOT COOPERATING/CARE A4; ISSUER NOT COOPERATING**'.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The rating assigned to the bank facilities of MPI has been revised on account of non-availability of requisite information. Further, the ratings continue to remain constrained by modest scale of operations, elongated operating cycle and leveraged capital structure with weak debt coverage indicators. The ratings also factor in risk associated with susceptibility to raw material price volatility risk and highly regulated and competitive nature of industry with business risk associated with tender-based orders. The ratings, however, continue to draw comfort from experienced promoters having long track record of operations and improvement in profitability margins.

Analytical approach: Standalone

Outlook: Stable

Detailed description of the key rating drivers

At the time of last rating on April 15, 2025, the following were the rating strengths and weaknesses (updated based on information available from ROC).

Key weaknesses

Modest scale of operations

MPI sell pharmaceutical products to various government departments and medical institutions through tenders, where medicines are sold at subsidized prices compared to the open market rate. Consequently, entities are compelled to set competitive bid rates to secure contracts which led to MPI's modest scale of operations, wherein it has reported a reported a total operating income (TOI) and gross cash accruals of Rs.49.46 crore and Rs.1.94 crore respectively, in FY25, compared to Rs.44.76 crore and Rs.0.88 crore respectively, in FY24. MPI's TOI grew by 10.72% in FY25 driven by higher execution of contracts from existing customers due to introduction of more niche products.

Elongated operating cycle

The operating cycle of the company stood elongated at 281 days for FY25 (P.Y.: 297 days) on account of delay in realization from its customers which are primarily being government departments/ public sector undertakings. Being in formulation business, it necessitates maintaining 2-3 months raw material inventory for smooth running of its production processes and in the form of finished goods to ensure prompt delivery to its customers resulting in an average inventory holding period of 95

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

days for FY25. However, the company gets credit of around 2-3 months from its suppliers. Slow realization from debtors led to higher working capital limits utilization which stood ~90% for past 12 month's period ending March, 2026.

Leveraged capital structure and weak debt coverage indicators

The financial risk profile of the company stood weak as reflected by leveraged capital structure and company's weak debt coverage indicators. The capital structure of the company although improved marginally on account of repayment of loans coupled with accretion of profits to net reserves but stood leveraged as marked by high overall gearing ratio which stood at 2.19x as on March 31, 2025, though improved from 3.07x as on March 31, 2024. Due to high debt levels, primarily consisting of unsecured loans from directors and related parties, which are needed to fund the company's working capital requirements, interest coverage ratio and total debt/GCA stood weak at 1.77x and 15.30x respectively, in FY25.

Susceptibility to raw material price volatility risk

The company remains exposed to any adverse movements in input prices, which it may not be able to pass on to the customers completely owing to the intense competition in the pharmaceutical industry and absence of escalation clause in the contracts executed by the company, which may adversely impact the profitability margins of the company. However, this risk is somewhat mitigated as the company enters fixed-price contracts with some of their suppliers, ensuring that the prices of these raw materials remain stable throughout the contract period.

Highly regulated and competitive nature of industry with business risk associated with tender-based orders

The pharmaceutical industry is a closely monitored and regulated industry and as such there are inherent risks and liabilities associated with the products and their manufacturing. Regular compliance with product and manufacturing products as per the quality standards of regulatory authorities is critical for selling products across various geographies. MPI is engaged in the manufacturing of pharmaceutical formulations wherein the industry is characterized by a high level of competition due to presence of a large number of small and big players. Further, the company majorly undertakes government orders, which are awarded through the tender-based system. This exposes the company towards risk associated with the tender-based business, which is characterized by intense competition. The growth of the business depends on its ability to successfully bid for the tenders and emerge as the lowest bidder.

Key strengths

Experienced promoters coupled with long track record of operations

MPI is a family run business. The company is currently being managed by Mr. Yogesh Gupta and Mr. Sanjay Agarwal. Mr. Yogesh Gupta is a M.B.A. qualified and holds experience of more than three decades in pharmaceutical business and looks after the management and accounts department of the company. He is well supported by Mr. Sanjay Agarwal who looks after the sales department of the company. The company has been operating in pharmaceutical business for more than two decades, which has aided in establishing a long-term relationship with both suppliers and customers.

Improvement in profitability margins

The company has witnessed improvement in the PBILDT margin which stood at 10.38% in FY25 as against 7.71% in FY24 owing to introduction and contribution from high margin value niche products. Further, in line with PBILDT margin, PAT margin also improved in FY25 at 3.07% than 0.72% in FY24. The company is regularly working on developing such new niche products having limited competitors and better margin and is likely to sustain expected improvement in operating margins in the future as well.

Assumptions/Covenants: Not Applicable

Environment, social, and governance (ESG) risks: Not Applicable

Applicable criteria

[Definition of Default](#)

[Information Adequacy Risk and Issuer Non-Cooperation](#)

[Rating Outlook and Rating Watch](#)

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About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Healthcare	Healthcare	Pharmaceuticals & Biotechnology	Pharmaceuticals

Medipol Pharmaceutical India Private Limited (MPI) was incorporated in May, 1992 as a private limited company. It was takeover in 1999 by the current family members promoters. The company is currently being managed by Mr. Yogesh Gupta and Mr. Sanjay Agarwal. The company is engaged in the manufacturing of wide range of pharmaceutical products which includes tablets, capsules, liquid orals (syrup), ointments, gels, lotions, etc. among others. The manufacturing facility of the company is located at Baddi, Himachal Pradesh. The company sell its products to different state and central government medical institutions/hospitals through procurement of tenders floated by the respective departments. It also used to export its products in overseas markets such as Afghanistan, South Korea, Guinea, etc.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	44.76	49.46
PBILDT*	3.45	5.13
Profit after tax (PAT)	0.32	1.52
Overall gearing (x)	3.07	2.19
Interest coverage (x)	1.26	1.77

A: Audited; Note: these are latest available financial results

*PBILDT: Profit before interest, lease rentals, depreciation and tax

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for last three years: Annexure-2

Covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	9.50	CARE BB-; Stable; ISSUER NOT COOPERATING*
Fund-based/Non-fund-based-LT/ST		-	-	-	20.50	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING*
Non-fund-based - LT/ST-Bank Guarantee		-	-	-	10.00	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/ Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Cash Credit	LT	9.50	CARE BB-; Stable; ISSUER NOT COOPERATING *	1)CARE BB; Stable (15-Apr-25)	-	-	-
2	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	10.00	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING *	1)CARE BB; Stable / CARE A4 (15-Apr-25)	-	-	-
3	Fund-based/Non-fund-based-LT/ST	LT/ST	20.50	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING *	1)CARE BB; Stable / CARE A4 (15-Apr-25)	-	-	-

*Issuer did not cooperate; based on best available information.

LT: Long term; LT/ST: Long term/Short term.

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not Applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based/Non-fund-based-LT/ST	Simple
3	Non-fund-based - LT/ ST-Bank Guarantee	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

<p>Media Contact</p> <p>Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in</p> <p>Relationship Contact</p> <p>Ankur Sachdeva Senior Director CARE Ratings Limited Phone: 912267543444 E-mail: Ankur.sachdeva@careedge.in</p>	<p>Analytical Contacts</p> <p>Shachee Nakul Vyas Assistant Director CARE Ratings Limited Phone: 079-40265665 E-mail: shachee.tripathi@careedge.in</p> <p>Aniket Shringarpure Lead Analyst CARE Ratings Limited Phone: 079-40265659 E-mail: aniket.shringarpure@careedge.in</p> <p>Karan Mehta Associate Analyst CARE Ratings Limited E-mail: Karan.Mehta1@careedge.in</p>
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About us:

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